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DIRECTORATE OF INTELLIGENCE

Intelligence Memorandum

The Petroleum Situation in Pakistan

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December 1971

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CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
December 1971

INTELLIGENCE MEMORANDUM

THE PETROLEUM SITUATION IN PAKISTAN

Total Oil Supply and Demand

1. Pakistan depends on imports for about 90% of its oil supply, about 110,000 barrels per day (b/d), see Table 1. Domestic crude oil, produced only in northern West Pakistan, provides slightly less than 10% of total supply. Imports, mostly in the form of crude oil (78% of total supply) and refined products (13% of total supply), come almost exclusively from Iran.

2. Domestic consumption of petroleum products under normal conditions is on the order of 90,000 b/d: about 70% is consumed in the West and 30% in the East. Almost 20,000 b/d, or about 18% of total supply, are exported – some 7,000 b/d as bunkers for aircraft and ships.

3. We do not know the military demand for petroleum products in either East or West Pakistan. Assuming, however, that all of the normal demand for aircraft fuels and 50% of the demand for motor gasoline and diesel fuel are allocated exclusively to military activities, then consumption by military forces in the West would approach 20,000 b/d or 30% of the total normal consumption, and in the East, about 4,000 b/d or 15% of total normal consumption.

The Situation in East Pakistan

4. Oil is imported into East Pakistan through the port of Chittagong, the location of the only refinery and of almost 90% of the storage capacity in the East, see Tables 2 and 3. Tankers delivering petroleum to Chittagong since April 1971 have been repeatedly harassed, and the refinery reportedly operated only intermittently during 1971 because of crude oil shortages and fear of sabotage. Moreover, imports of petroleum to build up stocks were restricted because of scarce foreign exchange, and inventories probably

Note: This memorandum was prepared by the Office of Economic Research and coordinated within the Directorate of Intelligence.

were held at or near minimum essential needs. A reasoned guess suggests that total oil stock levels in East Pakistan at the opening of full-scale hostilities did not exceed 30 days of supply at normal rates of consumption.* The extent of damage to storage facilities and the destruction of oil stocks from recent air attacks on Chittagong and Dacca is not known.

West Pakistan

5. Oil is imported into West Pakistan through the port of Karachi. The two principal refineries in the West (representing about 85% of refining capacity in the West) are located in the vicinity of the port, and imported crude oil is delivered directly from the tankers to the refineries. About 75% of the bulk oil storage capacity in West Pakistan is concentrated in the four import terminals and in the two refineries located in the Karachi port area. The only domestic oil production in Pakistan originates near the refinery at Rawalpindi and is transported by local pipeline. This refinery, which accounts for about 15% of the oil supply in the West, reportedly suffered minor damage by air strikes on 6 December but continued to operate normally.

6. Crude oil stored at the refineries in the Karachi area, if filled to 75% of capacity, probably would be sufficient for 10 days of operation. Stocks of refined products, using the same assumption, probably would not exceed 60 days of supply. Thus, maximum total stocks of oil on hand in West Pakistan would not exceed about 70 days of supply at normal rates of consumption. Actually, the stocks probably are substantially less than that amount and may be as low as 30 days' supply. Initial reports of the air attack on oil facilities in the Karachi area on 5-6 December suggest that damage was confined to a small independent oil company facility.

Prospects

7. The virtual interdiction of Chittagong makes it most unlikely that East Pakistan can be supplied with oil, and Pakistani forces in the East will have to depend on the products currently in storage throughout the region. These stocks probably would not last more than a month.

8. West Pakistan also faces a critical petroleum situation with stocks that also may not be sufficient for more than a month of normal consumption. By strict rationing, these stocks probably could be stretched to perhaps two months' supply. Pakistani military forces do have some petroleum supplies at bases and airports around the country, but the

* This and other similar estimates of stock levels elsewhere in this memorandum do not include stocks, presumably small, contained in 55-gallon drums in the country.

amounts are not known and in any event are not likely to be large. Although ample oil supplies would be available to West Pakistan from Iran, it would be difficult to import them through Karachi because of the likelihood of blockade by the Indian Navy. Pakistan, with no tankers of its own, might charter foreign tankers, place them under the Pakistani flag, and attempt to run this blockade. If the import terminals in Karachi were bombed out, tankers would have to unload into barges or tank cars, a slow and cumbersome process. Some fuel could be imported by road from Iran, but not enough to meet even minimum requirements.

Table 1

Pakistan: Estimated Oil Supply and Demand
1971

	Thousand Barrels Per Day		
	Total	West	East
Supply	*109.5*	*81.5*	*28.0*
Domestic crude oil production	10.0	10.0	0
Imports	99.5	71.5	28.0
Crude oil	85.5	66.1	19.4
Products	14.0	5.4	8.6
Demand	*109.5*	*81.5*	*28.0*
Domestic	90.0	62.8	27.2
Aviation gasoline	0.6	0.6	0
Jet fuel	6.0	4.7	1.3
Motor gasoline	7.5	6.0	1.5
Kerosene	17.8	8.7	9.1
Diesel fuel oil	25.3	21.9	3.4
Fuel oil	24.4	16.1	8.3
Lubricants	1.6	1.3	0.3
Other, losses, and stock changes	6.8	3.5	3.3
Exports	19.5	18.7	0.8
Bunkers	7.3	6.5	0.8
Other	12.2	12.2	0

Table 2

Pakistan: Estimated Oil Storage Capacity at Principal Facilities

Thousand Barrels

Location	West			East			Total		
	Crude Oil	Products	Total	Crude Oil	Products	Total	Crude Oil	Products	Total
Total	*950*	*5,550*	*6,500*	*480*	*1,610*	*2,090*	*1,430*	*7,160*	*8,590*
Import terminals	0	3,200 a/	3,200 a/	0	1,020 b/	1,020 b/	0	4,220	4,220
Burmah-Shell	0	900	900	0	620	620	0	1,520	1,520
Caltex	0	500	500	0	--	--	0	500	500
Esso	0	1,300	1,300	0	400	400	0	1,700	1,700
Pakistan Nat'l Oil Co.	0	500	500	0	--	--	0	500	500
Refineries	950	1,460	2,410	480	330	810	1,430	1,790	3,220
Rawalpindi									
Attock Oil Co.	250	550	800	--	--	--	250	550	800
Karachi									
National Refinery	290	600	890	--	--	--	290	600	890
Pakistan Refinery (Karangi)	410	310	720	--	--	--	410	310	720
Chittagong									
Eastern Refinery	--	--	--	480	330	810	480	330	810
Airfields	0	140	140	0	10	10	0	150	150
Other	0	750	750	0	250	250	0	1,000	1,000

a. Located in Karachi.
b. Located in Chittagong.

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Table 3

Pakistan: Oil Refineries, Locations, and Capacities
December 1971

Capacities in Barrels Per Day

Name	Location	Capacity	Remarks
Total		*115,140*	
West		85,140	
Attock Oil Co. a/	Rawalpindi	11,640	Ownership: Burmah Oil Co., 27%; remainder privately owned. Operates exclusively on domestic crude oil.
National Refinery	Karachi	13,500	Owned by government and private Pakistani interests. Operates on imported crude oil.
Pakistan Refinery	Karangi (Karachi)	60,000	Ownership: Burmah Oil Co., 15%; Shell Oil Co., 15%; Esso, 18%; Caltex, 12%; government and private Pakistani interests, 40%. Operates on imported crude oil.
East		30,000	
Eastern Refinery	Chittagong	30,000	Ownership: Burmah Oil Co., 30%; remainder government and private Pakistani interests. The only refinery in East Pakistan; operates on imported crude oil.

a. Reportedly damaged in air strike on 6 December 1971.